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SUBJECT: 60TH ANNIVERSARY CELEBRATIONS BALANCE LOCAL ACCOMPLISHMENTS
WITH NATIONAL UNITY

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1F. (F) SHANGHAI 380

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SUMMARY

11. (SBU) As Shanghai prepares to celebrate the 60th anniversary of the establishment of the People's Republic of China on October 1, municipal government officials and the state-run media have attempted to balance local pride with national unity. In public statements and newspaper articles, Shanghai officials offer the city as modern and technologically advanced but also nationalistic and firmly under the Communist Party's leadership. Recent visits to other cities in the Consular District demonstrate a similar effort by local government officials to feature their local accomplishments while punching their national credentials as October 1 approaches. End Summary.

SINGING SHANGHAI'S PRAISES ON THE 60TH ANNIVERSARY

12. (SBU) From the rising pavilions at the 2010 World Expo site on both sides of the Huangpu River to gleaming skyscrapers in Pudong's glitzy Lujiazui Financial District to refurbished neighborhoods around Xintiandi to the high-end shops along Nanjing Road to some of China's best universities, Shanghai projects China as sleek, modern, and high-tech. As Shanghai

prepares to observe the 60th anniversary of the establishment of the People's Republic of China, the municipal government has done its part to demonstrate national unity, staging opportunities for government officials to speak -- and sing -- with patriotic fervor. At Pudong Yuanshen Stadium on September 27, Party Secretary Yu Zhengsheng, Mayor Han Zheng, Municipal People's Congress Chairman Liu Yungeng, and Shanghai CPPCC Chairman Feng Guoqin were among those raising their voices in song in praise of the nation, the Party, and the need to "work hard for the people."

EXPO 2010: SHANGHAI TAKES ITS PLACE ON THE WORLD STAGE

¶3. (SBU) Shanghai has much to sing about. Despite initial pessimism about the impact of the global economic downturn on the city and concern about a low GDP growth rate during the first quarter of the year at 3.1 percent, the city's economy bounced back to grow by 7.9 percent in the second quarter, and Shanghai now is looking forward to hosting the biggest World's Fair ever in 2010 (Ref A). The Shanghai 2010 World Expo, due to open on May 1 with 192 countries participating, is expecting 70 million visitors. Shanghai's municipal government has budgeted \$4.2 billion for the six-month event (nearly twice the \$2.3 billion budget for the 2008 Beijing Olympics), including \$2.6 billion for infrastructure and \$1.6 billion for Expo operations. Shanghai's 60th anniversary celebrations, therefore, will highlight the upcoming Expo. Yet more "Haibao" (the 2010 World

SHANGHAI 00000411 002 OF 005

Expo's mascot) statues popped up around town in recent weeks -- just in time to celebrate the nation's 60th birthday.

INNOVATIVE SOLUTIONS: CITY'S CONTRIBUTIONS TO SCIENCE

¶4. (SBU) In line with the 2010 World Expo's theme of "Better City, Better Life," the local media's focus on the upcoming 60th anniversary has featured Shanghai's contributions to China's scientific and technological developments. The Wenhui Bao, a local Party-controlled daily newspaper, published a series of articles in September highlighting innovation, featuring projects such as the Dongtai Wind Farm near Yangshan Deep Water Port. The Shanghai Science and Technology Museum opened a "60th anniversary science and technology" exhibit on September 23, which will run until October 15. In the period prior to October 1, local newspapers also reported on the progress of the Hongqiao Transportation Hub -- Shanghai's largest infrastructure project (Ref B). Located in the western suburbs of Shanghai, the hub will integrate the new terminal of the Shanghai Hongqiao International Airport, a high speed railway connecting Shanghai to Beijing, inter-city shuttle trains, five subway lines, four highways, and an extensive bus network.

REITERATING THE "FOUR LEADS" AND THE "FOUR CENTERS"

¶5. (SBU) The October 1 National Day holiday and the 60th anniversary celebrations also have given the Shanghai Municipal Government another opportunity to publicly stake its claim as a city of international importance. The "four leads" --

transforming Shanghai's economic growth model, enhancing independent innovation, advancing reform and opening up, and building a "socialist harmonious society" -- remain government priorities; likewise, government officials emphasize the importance of establishing Shanghai as an international economic, financial, trade, and shipping center, collectively known as the "four centers" (Ref C).

¶6. (SBU) During a speech commemorating the 60th anniversary of the Chinese People's Political Consultative Conference (CPPCC), Shanghai Party Secretary Yu Zhengsheng took the opportunity at the beginning of his remarks at the Shanghai CPPCC to call on government officials "to make greater contributions towards accelerating Shanghai's realization of the four leads and the establishment of the four centers." On September 29, Mayor Han Zheng again focused on the "four leads and four centers," closing his address to the assembled diplomatic corps by saying, "Let's speed up our work towards realizing the "four leads" vision and turning Shanghai into an international economic, financial, trade and shipping center, and let's make new contributions to our great motherland." (Note: Shanghai's goal of building "four centers" requires a State Council endorsement, but to date, the Central Government has endorsed only the finance and shipping centers. Septel to follow. End note.)

"CITY OF IMMIGRANTS" MONIKER FITS AGAIN

SHANGHAI 00000411 003 OF 005

¶7. (SBU) Shanghai, traditionally known as a "city of immigrants," remains dependent on the successful elevation of its international standing in order to continue to attract talent from within China and from overseas to drive the nation's economy. Contributing approximately 14 percent of the Central Government's fiscal revenue, Shanghai largely relies on more than 150,000 expatriates, as well as several million Chinese workers from outside Shanghai, to power economic growth.

¶8. (SBU) Not long ago, however, Shanghai faced the prospects of having a not-so-happy story to tell by October, as the effects of the global financial crisis appeared to be causing many of the city's expatriates to return home earlier this year, leaving the "New York of China" just ahead of the 60th anniversary and the 2010 World Expo (Ref D). Reports in recent weeks suggest that while Shanghai still faces significant economic challenges, its economy has surged enough to stem the outflow of white-collar workers, though, and the number of expatriates in Shanghai appears to have stabilized. In fact, Shanghai has used the financial crisis as an opportunity to attract financial professionals from foreign countries as well as induced talented Chinese to return home (Ref E). Blue-collar workers also appear to be returning, and a local labor expert told PolOff in early September that most Chinese migrants who had left the city during the economic downturn have come back.

EDUCATE TO ELEVATE: FOCUS ON STUDENTS

¶9. (SBU) At the same time Shanghai is wooing outsiders to work in the city, the municipal government also placed a greater emphasis on taking care of its home-grown talent pool in 2009.

Mayor Han Zheng called finding jobs for university graduates a "top priority" during his Work Report speech in January (Ref C), a theme echoed by other city leaders. Anecdotally, this year's graduates appeared to have done well with some universities boasting as many as 80 or 90 percent of their graduates quickly found jobs in their fields. Consulate contacts comment that Shanghai's strong educational system gives it a competitive edge over other Chinese cities with aspirations to provide international financial and commercial services (septel to follow). Municipal government leaders also have focused increasing attention on primary and secondary schools as evidenced by the number of high-level visits to local schools. Party Secretary Yu and other leaders in recent weeks have visited schools for ethnic minorities and/or migrant children, drawing attention to municipal government efforts to improve the education level for the city's least fortunate.

PLAYING SECOND FIDDLE IN NATIONAL CONCERTO

¶10. (SBU) Despite the city's proud boosterism, officials seem to acknowledge that the 60th anniversary of the PRC's establishment, although a national event, is primarily a Beijing celebration. Shanghai's fireworks and light shows on October 1 will be in the evening, apparently timed to allow Shanghai residents to watch the National Day parade in Beijing on television in the morning. Seeking to remind residents of the national significance of the 60th anniversary, local neighborhood committees have directed Chinese flags to be placed in store fronts.

SHANGHAI 00000411 004 OF 005

¶11. (SBU) In public statements and newspaper articles, municipal government officials continue to balance lauding Shanghai's success as China's "economic center" while deferring to the "political capital" in Beijing. With memories of the 2006 Chen Liangyu scandal still fresh (Ref F), local officials have been careful to manage the Beijing-Shanghai rivalry in the run-up to the October 1 holiday. Local newspaper headlines on September 29 highlighted Party Secretary Yu Zhengsheng's promotion of "clean government" in line with the "decision" of the 17th CCP Central Committee Plenum, which met in Beijing the previous week. Consulate contacts have commented in recent weeks that Party Secretary Yu is more adept at managing the relationship with Beijing than the disgraced Chen.

HISTORIC TIES IN HUAI'AN

¶12. (SBU) The local-national balancing act is repeated in other East China cities, which similarly have featured their local accomplishments while punching their national credentials as October 1 approaches. Huai'an, a city of 5.4 million people in northern Jiangsu Province, launched its pre-October 1 festivities on September 28 with the joint opening of the 8th Huaiyang Food Festival and 4th Huai'an Cross-Strait Economic Forum. In order to boost the city's international credentials, the Huai'an Foreign Affairs Office invited Ukraine's Ambassador to China, members of the Shanghai Consular Corps, and several Japanese representatives to the festival. During a meeting with diplomats on September 27, Huai'an Municipal Communist Party Secretary Liu Yongzhong highlighted the city's recent economic achievements, specifically a rapid GDP growth rate that hit 13.6

percent in the first half of the year (reportedly the highest in Jiangsu Province during the period) -- a figure Liu attributed to a recent influx of Taiwan investment during a separate conversation with PolOff. Further emphasizing the city's economic achievements, city officials organized a windshield tour of the 132-square kilometer development zone for festival participants, particularly pointing out the sizable Taiwan firm Foxconn's television screen factory.

¶13. (SBU) As the hometown of former Chinese premier Zhou Enlai, Huai'an boasts historic links to the establishment of the PRC in 1949. Party Secretary Liu officially opened the festival not far from Zhou Enlai's former residence where red banners exhorted citizens to "earnestly study Zhou Enlai's brilliance to establish a prosperous Huai'an." Liu emphasized that Huai'an, as Zhou's hometown, should be especially focused on the CCP Central Committee's objective of "people-oriented development."

SUZHOU CELEBRATING 60TH WITH A BANG

¶14. (SBU) Suzhou Vice Mayor Zhou Weiqiang told members of the Shanghai Consular Corps attending his city's September 25 reception in honor of the October 1 National Day that there would be sixty-two separate celebratory events throughout Suzhou's districts and counties on October 1. There would not be a parade in Suzhou, Zhou said, but the holiday would feature such activities as singing competitions, athletic events, and fireworks displays. An official at the Suzhou Foreign Affairs Office added that in the days leading up to the October 1 celebrations, local cadres also are studying the Plenum decision, telling the Deputy Principal Officer "the people are

SHANGHAI 00000411 005 OF 005

well acquainted with the Plenum's views on Party-building," and the Party is working in "complete transparency" to make those goals a reality. And calling attention to Suzhou's contributions to the founding of the PRC, the September 25 reception featured the presence of three elderly military heroes who had fought in the revolution.

COMMENT

¶15. (SBU) Shanghai's observance of the October 1 National Day holiday will be more subdued than the military parade in Beijing, but the city's celebrations -- lights, fireworks, and political speeches -- will attempt to make their own mark in China's economic and financial center. With the Shanghai 2010 World Expo around the corner, municipal government officials are touting Shanghai's accomplishments while being careful not to antagonize Beijing. Media circles report that the national propaganda will increase the scale of its World Expo publicity efforts after the National Day celebrations are completed. City leaders will remain cautious, however, to avoid saying or doing anything to upset Beijing, particularly as they work closely with the Central Government to stage a successful Expo. As China celebrates its 60th anniversary, local officials also are keeping a close eye on the economic recovery, hoping the situation will continue to improve and empower Shanghai's drive to create jobs and attract new talent.

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